

[Rate watch](#)

Prime rate, federal funds rate, COFI

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The prime rate, as reported by The Wall Street Journal's bank survey, is among the most widely used benchmark in setting home equity lines of credit and credit card rates. It is in turn based on the federal funds rate, which is set by the Federal Reserve. The COFI (11th District cost of funds index) is a widely used benchmark for adjustable-rate mortgages.

Click on the links below to find a fuller explanation of the term.

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UPDATED: 07/12/2022

	THIS WEEK	MONTH AGO	YEAR AGO
WSJ Prime Rate	4.75	4.00	3.25
Federal Discount Rate	1.75	1.00	0.25
Fed Funds Rate (Current target rate 1.50-1.75)	1.75	1.00	0.25
11th District Cost of Funds	0.22	0.22	0.31

Ratings methodology

What's included? The federal funds rate is the primary tool that the Federal Open Market Committee uses to influence interest rates and the economy. Changes in the federal funds rate have far-reaching effects by influencing the borrowing cost of banks in the overnight lending market, and subsequently the returns offered on bank deposit products such as certificates of deposit, savings accounts and money market accounts. Changes in the federal funds rate and the discount rate also dictate changes in The Wall

Street Journal prime rate, which is of interest to borrowers. The prime rate is the underlying index for most credit cards, home equity loans and lines of credit, auto loans, and personal loans. Many small business loans are also indexed to the Prime rate. The 11th District Cost of Funds is often used as an index for adjustable-rate mortgages.

Compare mortgage rates

FIXED RATES

10 year fixed

10 year fixed refi

15 year fixed

15 year fixed refi

20 year fixed

20 year fixed refi

30 year fixed

30 year fixed refi

30 year FHA

30 year FHA refi

ADJUSTABLE RATES

1 year ARM

1 year ARM refi

3/1 ARM

3/1 ARM refi

5/1 ARM

5/1 ARM refi

7/1 ARM

7/1 ARM refi

10/1 ARM

10/1 ARM refi

INTEREST ONLY RATES

3/1 ARM (IO)

5/1 ARM (IO) refi

5/1 ARM (IO)

7/1 ARM (IO) refi

7/1 ARM (IO)

30 year (IO) refi

30 year fixed (IO)

3/1 ARM (IO) refi

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